



**Annual Report of the Council and
Financial Statements for the year ended
31 December 2017**

Registered charity number 1097899

Council, Officers and Committee Chairs

Council and Officers

President

Malcolm Brinded CBE FREng FEI

Past President

Prof Jim Skea CBE FEI

Vice-Presidents

Dr Bernard Bulkin OBE FEI

Dr Vivienne Cox CBE FEI

Steve Holliday FREng FEI

Dr Ceri Powell FEI

Honorary Secretary

Michael Parker CBE FEI

Honorary Treasurer

Belinda Mindell FCA FEI

Young Member Representative

Andrew Hadland GradEI

Other Members of Council

Dr Ibilola Amao FEI

Christopher Boocock CEng FEI

Prof John Currie CEng FEI

Dr Boma Douglas CEng MEI

Carl D. Hughes FCA FEI

James MacRae FEI

Nicola Murphy

Jaz Rabadia MBE MEI Chartered Energy Manager

Alastair Robertson CEng MEI

Paul R. Smith FEI

Emily Spearman CEng MEI

Dr Joanne Wade OBE FEI

Committees

HR

F

PAC

F

STAC

HR

EAP

Senior Management

Chief Executive

Louise Kingham OBE FEI

Technical Director

Martin Maeso CEnv MEI

Development Director

Marta Kozłowska MEI

External Affairs Director

Nick Turton

Finance Director

Ava Longhurst DChA

Main Committee Chairmen

Human Resources Committee (HR)

Michael Parker CBE FEI

Finance and Audit Committee (F)

Belinda Mindell FCA FEI

Professional Affairs Committee (PAC)

Christopher Boocock CEng FEI

Scientific and Technical Advisory Committee (STAC)

James MacRae FEI

Energy Advisory Panel (EAP)

Dr Joanne Wade OBE FEI

Disciplinary Committee

To be appointed by Council as required

Appeals Committee

To be appointed by Council as required

Other information

Registered Office

61 New Cavendish Street, London W1G 7AR, UK

t: +44 (0) 20 7467 7100

e: info@energyinst.org

www.energyinst.org

Registered charity number 1097899

Incorporated by Royal Charter 1 July 2003

Licensed by the Engineering Council (UK) to register engineers and technicians

Licensed by the Science Council (UK) to register Chartered Scientists

Licensed by the Society for the Environment to register Chartered Environmentalists

Bankers

Lloyds TSB Bank Plc, 324 Regent Street, London W1B 3BL

Investment Managers

Sarasin & Partners LLP

Juxon House, 100 St Pauls Churchyard, London EC4M 8BU

Solicitors

Hempsons

40 Villiers Street, London WC2 6NJ

Auditor

haysmacintyre

10 Queen Street Place, London EC4R 1AG

Pensions Adviser

Noble Johnson

Arle Court, Hatherley Lane, Cheltenham Gloucestershire GL51 0TP

Council Report for the year ended 31 December 2017

Council presents its Report and the Financial Statements for the year ended 31 December 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details

Legal and administrative information is set out on page 1 and forms part of this report.

Establishment and legal structure

The Energy Institute (EI) was incorporated by Royal Charter on 1 July 2003 and is a registered charity, number 1097899. The EI is governed in accordance with the Royal Charter and Byelaws. The Financial Statements have been prepared in accordance with the requirements of the Royal Charter, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015) and other relevant statutory requirements.

Governance

The Council of the EI is its governing body and consists of elected and appointed members of the EI.

The Council of the EI has the following membership:

- the President, the Honorary Secretary and the Honorary Treasurer
- other such officers as the EI may determine
- up to 6 elected individual members of the EI
- up to 3 individuals co-opted by Council
- up to 3 individual members of the EI, nominated by Branches.

The Chief Executive attends meetings of Council in a non-voting capacity. Members are elected or appointed to the Council and remain so until their term of office, determined by Council regulations, concludes. The members of Council at the date of this report are shown on page 1. All served throughout the year under review with the exception of Nicola Murphy who retired from Council at the AGM on 4 July 2017.

Members of the Council are also the trustees in accordance with charity law and provide strategic direction for the Charity. Trustees are appointed and elected via various routes and all new members undergo a comprehensive induction and where appropriate external trustee training is also provided.

The Council has the power (under Bye-law 45) to establish, regulate and dissolve committees and delegate its powers and functions (other than the power to make regulations or its non-delegable powers as a body of trustees) to such committees. Three mandatory committees operate and report quarterly to Council, namely Finance and Audit, Human Resources and Professional Affairs. The Scientific and Technical Advisory Committee also reports to Council and is directly represented via the co-option of its Chairman to Council. Similarly the Energy Advisory Panel reports to Council and is chaired by a member of Council.

EI is managed on a day-to-day basis by the Chief Executive assisted by staff of appropriate qualification and experience. The Council monitors performance on a quarterly basis.

The EI's remuneration policy objective is to ensure the staff and the key management personnel are rewarded in a fair and responsible manner for their contribution to the success of the EI and provided with appropriate incentives to encourage enhanced performance. It is the intention of the EI to reward staff in a way which ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In setting an appropriate salary structure the EI takes account of information on movements in prices and salaries in central London; salaries in the charity and commercial sectors; and, the EI's charitable status and financial position.

The EI consists of individual members and company members, having such qualifications and rights as are determined by the Bye-laws in force.

Branches and subsidiaries

The EI provides grants and administrative support and guidance to a number of branches that operate autonomously both within the UK and overseas. The officers of these branches are appointed by the branch memberships of the EI. The EI also owns 3 subsidiary branches in Hong Kong, Nigeria and Singapore. The EI has set up a wholly owned UK subsidiary company, limited by shares. EI Services Limited was incorporated on 17 May 2017. The purpose of the UK company is to administer commercial activities that will contribute to the EI's charitable activities.

Major risks

Council has identified and reviewed the major risks to which the EI is exposed. Council is satisfied that appropriate systems have been implemented to mitigate those risks.

Council has identified the following priority risks:

After a period of investment, the EI's free reserves are lean. Accordingly, a significant focus is required on cashflow and good budgetary control. The energy industry still faces economic challenges, and this has had a direct impact on the EI's membership subscriptions and income from charitable activities. The EI maintains strong cost controls and awareness

with effective financial monitoring systems in place, adjusting financial strategy when an income stream risk increases. The senior leadership team sees maintaining good relationships with the EI's members as a high priority by demonstrating the value they receive and the good work the EI is contributing to the Industry, the members and the wider public.

Our EI Partners are important to us and their contributions enable us to raise standards and drive forward energy industry good practice through the work of our technical staff team and volunteer committees. This work also enables us to develop and share energy knowledge to improve understanding. We would not be able to do this good work without their support and therefore we consider the loss of EI Partners to be a priority risk.

The risk of disruption to business continuity due to cyber security remains a priority risk. With GDPR compliance coming into force on 25 May 2018 we need to ensure that our cyber housekeeping is in order and our systems are secure. To identify the risks, regular cyber security risk assessments help to identify the gaps and determine actions to close those gaps. These assessments also ensure that we invest time and funds in the right areas by putting good practice in place to mitigate risk.

PUBLIC BENEFIT

Members of Council recognise their responsibilities towards public benefit under the requirements of the Charities Act 2011 and have had regard to the guidance from the Charity Commission on public benefit. This requirement is reflected in the Objects of the EI, set out below. The benefits are clear and identifiable. They are available to a wide section of the public who are interested in energy and its implications for society, whilst the broader public benefits derive from the development of safe, secure and a more sustainable supply and use of energy in a way that enables affordable development. These benefits are set out within the appropriate sections of this report.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

The objects of the EI are the promotion for the public benefit of the science of energy and fuels in all applications and uses, including:

- To conduct or promote the conduct of scientific and other research, to publish useful results of such research, and to provide facilities for study, research and education;
- To publish, produce and distribute or assist in the publication, production or distribution of films, recordings, and any form of written, printed or electronic communication and to advertise in any manner;
- To establish and maintain libraries and collections, and provide public access to them, and to collect information whether or not on a basis restricted by agreement with the provider thereof;
- To hold conferences, meetings and seminars and other events and to promote the reading of learned papers;
- To encourage the undertaking of voluntary work in the interests of the EI;
- To develop and promulgate codes of good professional practice, to prescribe standards of education, training and experience in professions or activities related to the objects and to hold examinations and other tests, and to award certificates and diplomas: provided that no such certificate or diploma shall purport to be issued by or under government authority, or purport to be a national qualification, without the prior approval of, or accreditation by, the appropriate department of Government and/or the appropriate devolved administration, or the appropriate regulatory body for qualifications;
- To institute, establish and promote educational and training courses, scholarships grants, awards and prizes.

In addition to its Royal Charter objects, which define the nature of its activities, the EI Council sets strategic aims to work towards achieving those objects. They represent a continuation and expansion of EI's remit to promote a safer, more secure and sustainable energy system and recognise the contribution that energy professionals make to society.

The strategic aims agreed by Council are focused upon:

- *Raising standards and driving forward energy industry good practice*
- *Developing skills and recognising the competence of energy professionals*
- *Advancing knowledge and understanding about energy*

The Council approves an annual business plan to ensure that the activities of the EI contribute towards meeting the strategic aims and that the organisational resources required are adequate to meet its needs.

Principal activities for the year, achievements and performance

2017 saw a significant amount of activity driven by the three strategic themes adopted by Council the previous year – international growth, policy and public engagement and supporting the transition to a lower carbon world – in addition to the EI's business-as-usual activities.

A new three year communication strategy was adopted part way through the year based around recasting the EI's narrative to be relevant and a new approach to producing purposeful content within priority campaigns.

Other highlights included:

Developing and sharing energy knowledge to improve understanding

- Publication of the third annual Energy Barometer including a strong focus on Brexit, carbon targets, energy efficiency, energy price caps and heat.
- Hosting of the Melchett lecture by Dr Fatih Birol of the International Energy Agency at the Royal Institution, which was made available on film for the first time
- Contribution to UK Government consultations on clean growth, industrial strategy and other relevant policies.
- Collaborated with RAEng and other professional bodies to produce reports on the State of Engineering and other topics.
- Hosted IP Week 2017 with a stronger focus on addressing climate change, the impact of digitisation and new business models for the transition.
- Co-hosted Heat and Decentralised Energy 2017 with the Association of Decentralised Energy.
- Led an expert workshop in collaboration with the World Petroleum Council focusing on financing solutions for energy projects in the context of energy transition

Supporting energy professionals and the skills needed

- Introduction of new Associate Member grade to replace the former graduate category.
- Successfully delivered a Graduate Engineering Training Scheme in Nigeria, funded by a Royal Academy of Engineering Africa Catalyst grant.
- Reached agreement to deliver energy management training for the Environment Agency Abu Dhabi.
- Aberdeen branch activities including lectures by Sir David King and Lord Digby Jones as well as collaboration with NASA to inspire young people to pursue STEM careers.
- Continued support for the Powerful Women initiative including publication of data on women in board positions and building closer links with senior figures in BEIS.

Driving up standards, promoting excellence in practice

- Production of more than 50 technical guidance documents – more than in any previous year.
- Held the first Middle East HSE conference in collaboration with ENOC.
- Signed agreements in Singapore to pursue energy management and sustainable energy skills and expertise in collaboration with the Sustainable Energy Association Singapore and the Singapore Chemical Industries Council – alongside participation in the Asia Clean Energy Summit.
- Entries from a record 29 countries were submitted to the Energy Institute (EI) Awards 2017.

Investment powers, policy and performance

The powers of Council to manage investments are specified in Bye-law 44. The Council has delegated the management of the investment portfolio to its Finance and Audit Committee. Its policies are:

- to employ an active investment management strategy; and
- to hold funds required for the day-to-day running of the Energy Institute in interest-paying bank deposit accounts.

The performance of the Energy Institute portfolio for the calendar year 2017, net of management fees, was 10.7% against a benchmark of 11.3% and compared with the ARC steady growth charity index of 9.4%. The Committee regularly reviews the performance of the investment and deposit portfolio and reports to Council on a quarterly basis. Investments are under management by Sarasin & Partners LLP.

FINANCIAL REVIEW

The financial results for the EI itself are set out in the Statement of Financial Activities on page 8.

During the year the EI's consolidated results comprised income of £7,205,000 and expenditure of £7,665,000. There was net income of £246,000 in the general unrestricted reserve. After taking account of movements on restricted reserves and the designated reserves, this resulted in net expenditure of £191,000. Actuarial gains of £438,000 on the pension scheme contributed to a net surplus in funds of £247,000 for the year.

At the end of 2017, the EI group had net assets of £9,870,000, analysed in the balance sheet set out on page 10. The primary asset is the long leasehold of premises at 61 New Cavendish Street, including the assets resulting from the recent refurbishment.

Listed investments plus cash and bank deposits totalled £4,601,000 at the end of 2017, sufficient to meet the EI's obligations to creditors and restricted funds. There was an increase in the valuation on the pension plan from 2016 of £399,000, reflected in the balance sheet under Financial Reporting Standard 102 as a £189,000 surplus.

Operational reserves

The Energy Institute's consolidated free reserves at 31 December 2017 totalled £617,000, representing total unrestricted funds of £7,205,000 less those held in tangible fixed assets of £6,338,000, those designated for particular projects or purposes of £61,000 and excluding the pension reserve of £189,000. The Council has reviewed the level of free reserves required by the Institute and considered the following:

- The Institute is budgeting a breakeven budget in 2018 and has a history of ensuring that unrestricted income is sufficient to cover committed costs;

- Cash flow forecasts highlight the cyclical pattern where the Institute is cash rich early in the year and then utilises those cash reserves over the course of the year;
- The Institute holds over £3m of liquid investments, the majority of which represent restricted project funding. This core level of investments is unlikely to change significantly in value as amounts utilised are replaced with new amounts received plus the fund is a combination of a large number of individual amounts rendering the likelihood of all being required at once being highly unlikely. Accordingly, the investments provide a risk fund that reduces the amount of free reserves that the Institute would otherwise require.

Based on the factors noted above, the Council has set a policy level of free reserves of between £750,000 and £1,000,000. Strategic financial planning meetings have taken place in 2017, reviewing and analysing the EI's main operating risks, opportunities and capital commitments, as well as financial planning to align with the future Strategy.

The current levels and explanations of the purposes for designated funds are described in note 14 to the accounts.

Future plans

The EI's three strategic themes – international growth, policy and public engagement and supporting the transition to a lower carbon world – are driving the EI's work, on top of business-as-usual activities. Forthcoming plans include:

Developing and sharing energy knowledge to improve understanding

- Energy Systems conference in collaboration with Elsevier
- An EI presence at the Big Bang Fair and other activities in support of the Year of Engineering 2018.
- Hosting IP Week, attracting high profile energy industry figures, including CEOs of majors and ministers, including the US deputy energy secretary.
- Production of new EI Views report series, the first on the future of gas to coincide with IP Week.
- Hosting an energy storage conference at the International Festival of Business.

Supporting energy professionals and the skills needed

- Development of materials to support ESOS phase 2.
- Launch of Young Professionals Council.

Driving up standards, promoting excellence in practice

- This year our technical programme turns its attention to energy storage, with guidance for battery storage operators covering fire safety, maintenance risks, disposal, and working with local planning authorities. Other low carbon areas are being investigated.
- Second Middle East HSE Conference in collaboration once more with ENOC.

In addition, work is underway on key corporate activities

- Compliance with General Data Protection Regulation, coming into effect in May 2018.
- Development of new website, corporate brochure, film and other materials.

COUNCIL'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Council prepares financial statements for each financial period, which give a true and fair view of the state of affairs of the EI and of the surplus or deficit of the EI for that period. In preparing those financial statements, Council is required to:

- follow applicable accounting standards;
- observe the methods and principles in the Charities SORP;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the EI will continue in business.

Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the EI and to enable it to ensure that the financial statements comply with the Royal Charter and the Charities Acts. Council is also responsible for safeguarding the assets of the EI and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution proposing that haysmacintyre be re-appointed as auditor to the EI will be proposed at the Annual General Meeting.

Malcolm Brinded

Malcolm Brinded CBE FREng FEI
President

Belinda Mindell

Belinda Mindell FCA FEI
Honorary Treasurer

18 April 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ENERGY INSTITUTE

Opinion

We have audited the financial statements of the Energy Institute for the year ended 31 December 2017, which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated and Charity Cash Flow Statements and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2017 and of the group's and the parent charity's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Council's Responsibilities set out in the Report of the Council, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Council. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Hm

haysmacintyre
Statutory Auditor

10 Queen Street Place,
London
EC4R 1AG

Date: 11 May 2018

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for the year ended 31 December 2017
 (Including consolidated income and expenditure)

		2017	2017	2017	2017	2016
		Unrestricted		Restricted	Total	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000	reserves £'000
Income:						
<i>Income from charitable activities:</i>						
Members' subscriptions		1,569	-	-	1,569	1,518
Charitable activities		4,210	96	1,196	5,502	5,495
	3	5,779	96	1,196	7,071	7,013
Donations		-	7	-	7	-
Investments		114	-	13	127	123
Total income		5,893	103	1,209	7,205	7,136
Expenditure:						
Charitable activities		5,888	183	1,594	7,665	7,175
Total expenditure	4	5,888	183	1,594	7,665	7,175
Net gains on investments	9	241	-	28	269	259
Net income/(expenditure)		246	(80)	(357)	(191)	220
Transfers between funds		(123)	123	-	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on Pension Plan	13	438	-	-	438	(476)
Net movement in funds		561	43	(357)	247	(256)
Reconciliation of funds:						
Total funds brought forward		245	6,356	3,022	9,623	9,879
Total funds carried forward	14	806	6,399	2,665	9,870	9,623

All income and expenditure derive from continuing activities and there are no gains and losses other than those passing through the Statement of Financial Activities.

Charity Statement of Financial Activities for the year ended 31 December 2017
(Including income and expenditure account)

		2017	2017	2017	2017	2016
		Unrestricted		Restricted	Total	Total
Note		General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000	reserves £'000
Income:						
<i>Income from charitable activities:</i>						
	Members' subscriptions	1,564	-	-	1,564	1,510
	Charitable activities	4,124	96	1,196	5,416	5,395
3		5,688	96	1,196	6,980	6,905
	Donations	-	7	-	7	-
	Investments	114	-	13	127	123
	Total income	5,802	103	1,209	7,114	7,028
Expenditure:						
	Charitable activities	5,773	183	1,594	7,550	7,092
4	Total expenditure	5,773	183	1,594	7,550	7,092
9	Net gains on investments	241	-	28	269	259
	Net income/(expenditure)	270	(80)	(357)	(167)	195
	Transfers between funds	(123)	123	-	-	-
Other recognised gains/(losses):						
13	Actuarial gains/(losses) on Pension Plan	438	-	-	438	(476)
	Net movement in funds	585	43	(357)	271	(281)
Reconciliation of funds:						
	Total funds brought forward	198	6,356	3,022	9,576	9,857
14	Total funds carried forward	783	6,399	2,665	9,847	9,576

All income and expenditure derive from continuing activities and there are no gains and losses other than those passing through the Statement of Financial Activities.

Consolidated and Charity Balance Sheet as at 31 December 2017

	Note	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Fixed assets:					
Tangible assets	8	6,338	6,321	6,338	6,321
Investments	9	3,763	3,893	3,763	3,893
Total fixed assets		10,101	10,214	10,101	10,214
Current assets:					
Debtors	10	1,194	2,195	1,194	2,195
Short term deposits		417	116	417	116
Bank and cash		421	745	398	698
Total current assets		2,032	3,056	1,977	3,009
Liabilities:					
Amounts falling due within one year	11	(2,146)	(2,979)	(2,146)	(2,979)
Net current assets		(114)	77	(137)	30
Total assets less current liabilities		9,987	10,291	9,964	10,244
Creditors: falling due after more than 1 year	12	(306)	(458)	(306)	(458)
<i>Net assets excluding pension asset/(liability)</i>		9,681	9,833	9,658	9,786
Pension Plan surplus/(deficit)	13	189	(210)	189	(210)
Total net assets		9,870	9,623	9,847	9,576
The funds of the charity:					
<i>Unrestricted reserves</i>					
General reserve	14	617	455	594	408
Pension reserve		189	(210)	189	(210)
Designated reserves		6,399	6,356	6,399	6,356
		7,205	6,601	7,182	6,554
<i>Restricted reserves</i>	14	2,665	3,022	2,665	3,022
Total group and charity funds		9,870	9,623	9,847	9,576

These financial statements were approved and authorised for issue by Council on 18 April 2018 and signed on its behalf by:

Malcolm Brinded

Malcolm Brinded CBE FREng FEI
President

Belinda Mindell

Belinda Mindell FCA FEI
Honorary Treasurer

Cash flow Statement for the year ended 31 December 2017	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(191)	220	(167)	195
Gains on investments	(269)	(259)	(269)	(259)
Investment income	(127)	(123)	(127)	(123)
Depreciation of tangible fixed assets	106	70	106	70
Decrease in debtors	1,033	232	1,033	232
(Decrease) in creditors	(876)	(5)	(876)	(5)
Non-cash operating movement in pension scheme asset	39	21	39	21
Net cash (used in)/ provided by operating activities	(285)	156	(261)	131
Cash flows from investing activities:				
Investment income	127	123	127	123
Proceeds from sales of investments	400	-	400	-
Payments to acquire tangible fixed assets	(123)	(536)	(123)	(536)
Net cash provided by/ (used in) investing activities	404	(413)	404	(413)
Cash flows from financing activities:				
Repayments of borrowing	(142)	(143)	(142)	(143)
Net cash used in financing activities	(142)	(143)	(142)	(143)
Change in cash and cash equivalents in the year	(23)	(400)	1	(425)
Cash and cash equivalents at the beginning of the year	861	1,261	814	1,239
Cash and cash equivalents at the end of the year	838	861	815	814

Group analysis of cash and cash equivalents	1 January 2017	Cash flow	31 December 2017
	£'000	£'000	£'000
Cash at bank and in hand	745	(324)	421
Short term deposits	116	301	417
Total cash and cash equivalents	861	(23)	838
Charity analysis of cash and cash equivalents			
	1 January 2017	Cash flow	31 December 2017
	£'000	£'000	£'000
Cash at bank and in hand	698	(300)	398
Short term deposits	116	301	417
Total cash and cash equivalents	814	1	815

Notes on the financial statements

Note 1 - Accounting Policies

a) General information

The Energy Institute is a body incorporated by Royal Charter and is a charity registered with the Charity Commission (charity registration no. 1097899). The registered office address is 61 New Cavendish Street, London W1G 7AR.

b) Basis of preparation

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at market value, and in accordance the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS 102).

The Energy Institute meets the definition of a public benefit entity under FRS 102.

c) Basis of consolidation

The consolidated financial statements of the Energy Institute incorporate the accounts of the charity and its subsidiary undertakings. The results of the subsidiary undertakings, as shown in note 7, are consolidated on a line by line basis within the consolidated Statement of Financial Activities (SOFA).

The Energy Institute has one associated undertaking in Petroleum Geology Conferences Limited (PGC). The principal activity of the company is to hold periodic petroleum geology conferences in accordance with a joint venture agreement.

In the parent charity accounts the investment in associates is recognised at cost less provision for impairment. FRS 102 requires associated undertakings to be accounted for under the equity method of accounting where the charity's share of the associate's net income or expenditure is recognised in the SOFA and netted off against the carrying amount of the investment in the consolidated accounts. As all profits arising from the activities of PGC are subject to gift aid donations to its shareholders, and reflected within income of the Energy Institute, any variances in the interest in associates under equity accounting is immaterial to the financial statements and therefore the investment is held at cost in both the charity and consolidated financial statements.

d) Going concern

The trustees consider that there are no material uncertainties regarding the Institute's ability to continue as a going concern.

e) Income

All income is recognised on an accruals basis and excludes Value Added Tax.

The Energy Institute generally raises invoices and sends renewals to individuals for the following financial year's membership fees and other agreed projects before the balance sheet date.

f) Expenditure

Expenditure is included on an accruals basis and excludes the related Value Added Tax (except where the Value Added Tax is not recoverable). Resources expended are analysed according to departmental costs incurred.

Support costs consist of central management, property, administration and governance costs. Governance costs consist of those costs associated with meeting the statutory and compliance requirements of the charity. Support costs are allocated to expenditure on charitable activities in accordance with the proportion of staff involved in each direct activity.

g) Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided on all assets on the straight line method at the following rates calculated to write off over their remaining lives:

Leasehold improvements	1.0% per annum
Plant and equipment	5.0% per annum
Fixtures and fittings	20.0% per annum
ICT assets	33.3% per annum

Notes on the financial statements

Note 1 - Accounting Policies (continued)

h) Investments

Listed investments are stated at market value. Gain and losses arising from changes in market values are included within the SOFA. Unlisted investments are stated at cost less provision for impairment.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) Financial instruments

The Energy Institute only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other receivables and payables and bank loans are initially recognised at transaction value and subsequently measured at their settlement value.

Debt instruments are subsequently measured at amortised cost, using the effective interest method.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

l) Pensions

The Energy Institute operates a defined benefit pension plan which is now closed to new entrants. The scheme is funded with the assets held separately from the Energy Institute in separate trustee administered funds.

The asset or liability recognised in the balance sheet is the net of the present value of the pension scheme liabilities and the fair value of the assets held in the scheme. The current service cost of the scheme and net interest costs are charged to staff costs in the SOFA. Actuarial gains and losses are recognised within other recognised gains and losses in the SOFA. The detailed assumptions relating to the valuations of the pension scheme assets and liabilities and movements in the year are included in Note 13.

The Energy Institute also operates stakeholder pension plans for employees for which employer contributions are expensed in the SOFA as payable.

m) Foreign currency translation

The Energy Institute's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

The trading results of overseas subsidiaries are translated into sterling at the average exchange rate for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the balance sheet date. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the results at average rates are recognised in the SOFA.

n) Fund accounting

Funds held by the Energy Institute are categorised as:

Unrestricted general – funds which can be used in accordance with the charitable objects of the Institute at the discretion of Council.

Unrestricted designated – funds which have been set aside by the Council for specific purposes.

Restricted – funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Notes on the financial statements

Note 2 – Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Energy Institute’s accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

Defined benefit pension scheme liabilities

The Energy Institute has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet as advised by an independent actuarial adviser. The assumptions reflect historical experience and current trends.

Note 3 - Incoming resources from charitable activities

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Membership subscriptions	1,569	1,518	1,564	1,510
Knowledge sharing activities	1,824	1,734	1,823	1,734
Skills development activities	1,033	946	947	846
Good practice activities	2,620	2,735	2,620	2,735
Other	25	80	25	80
	7,071	7,013	6,980	6,905

Note 4 – Expenditure on charitable activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2017 Total £'000	2016 Total £'000
Good practice activities	838	2,076	385	3,299	2,885
Knowledge sharing activities	878	870	513	2,261	2,067
Skills development activities	582	756	257	1,595	1,753
External affairs	152	115	128	395	387
Charity total	2,450	3,817	1,283	7,550	7,092
Charitable expenditure in subsidiaries	-	115	-	115	83
Group total	2,450	3,932	1,283	7,665	7,175

Note 5 – Analysis of support costs

	2017 £'000	2016 £'000
Support staff costs	717	687
Building facilities and services	229	184
Management & Human Resources	122	77
Finance	72	56
Information Technology	143	107
	1,283	1,111

Notes on the financial statements

Note 5 – Analysis of support costs (continued)

Included in support costs are governance costs relating to:

Auditor's remuneration	15	14
Actuarial	3	3
Legal and consultancy	13	5
Salaries	5	5
Other	8	10
	<u>44</u>	<u>37</u>

Note 6 – Staff costs

Salaries	2,443	2,408
Social security	262	259
Pensions	140	156
Redundancy	45	46
Other staff related costs	277	285
	<u>3,167</u>	<u>3,154</u>

The average number of employees was 68 (2016: 67).

The following numbers of staff have salaries above £60,000:	2017	2016
Between £60,000-£70,000	4	4
Between £80,001-£90,000	3	2
Between £110,001-£120,000	1	1

Number of staff included above for whom retirement benefits are accruing under:		
Defined benefit plan	4	4
Stakeholder Scheme	4	3

Pension contributions paid in respect of these individuals totalled £73,050 (2016: £71,583).

Trustees' reimbursed expenses

Due to the nature of the Energy Institute, most Trustees will be associated with organisations which may have a financial relationship with the Energy Institute. Opportunity is given for disclosure of any financial or other interest prior to any Council discussion. Trustees are allowed to be paid according to the Royal Charter for services provided to the Charity. During the year no trustees were remunerated (2016: no trustees). Trustees' expenses for travel and accommodation reimbursed during the year amounted to £4,066 (2016: £3,237) in respect of 3 trustees.

Remuneration of key management personnel

The key management personnel of the Energy Institute comprise 5 senior management employees. Total remuneration and pensions for these key management personnel were £555,094 (2016: £514,577).

Note 7 – Subsidiary undertakings

Energy Institute has 3 trading branch subsidiaries which are controlled by the Charity. Energy Institute Hong Kong (Branch) Ltd is incorporated in Hong Kong under the Companies Ordinance and limited by shares wholly owned by the EI. Energy Institute Nigeria is a Company Limited by Guarantee with EI as the sole member. Energy Institute Nigeria is incorporated in Nigeria and registered with the Corporate Affairs Commission. Energy Institute (EI) Singapore Pte Ltd, is incorporated in Singapore as a private limited company. Energy Institute (EI) Singapore was incorporated on 1 August 2015 and wholly owned by the EI. EI Services Limited was incorporated on 17 May 2017, a wholly owned UK subsidiary company of Energy Institute, limited by shares.

Notes on the financial statements
Note 7 – Subsidiary undertakings (continued)

Trading subsidiaries' results	EI Services Ltd	Energy Institute Hong Kong (branch) Ltd	Energy Institute Nigeria Ltd	Energy Institute Singapore Ltd	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	-	76	14	-	90	119
Cost of sales	-	(64)	(42)	-	(106)	(67)
Gross profit	-	12	(28)	-	(16)	52
Admin/other costs	-	(6)	(19)	-	(25)	(43)
Trading profit/(loss)	-	6	(47)	-	(41)	9
Grants paid from EI	-	5	9	2	16	17
Net income/ (outgoings)	-	11	(38)	2	(25)	26
Amount payable by qualifying charitable donation to Energy Institute	-	-	-	-	-	-
Retained profit brought forward	-	1	44	3	48	22
Retained profit carried forward and net assets	-	12	6	5	23	48

Note 8 - Tangible fixed assets (Group and Charity)

	Leasehold premises £'000	Leasehold improvements £'000	Plant and equipment £'000	ICT, Fixtures and fittings £'000	Total £'000
a) Cost					
Cost at 1 January 2017	4,250	2,146	273	606	7,275
Additions	-	74	0	49	123
Cost at 31 December 2017	4,250	2,220	273	655	7,398
b) Depreciation					
Depreciation at 1 January 2017	462	11	65	416	954
Charge for the year	-	22	17	70	106
Depreciation at 31 December 2017	462	33	79	486	1,060
Net book value at 31 December 2017	3,788	2,187	194	169	6,338
Net book value at 31 December 2016	3,788	2,135	208	191	6,321

The lease on the premises at 61 New Cavendish Street has 941 years to run until its expiry. On 17 September 2002, Jeremy James & Company, estate agents, provided a valuation report on an open market value basis on the premises at 61 New Cavendish Street and valued the premises at £4,250,000. This was the effective cost of the lease when it was transferred to the Energy Institute on 1 July 2003.

Capital commitments

The refurbishment of 61 New Cavendish Street started in February 2015 and completed in April 2016. £71,500 was spent in 2017, there are no capital commitments at 31 December 2017 (2016: £53,000).

Notes on the financial statements

Note 9 – Investments (Group and Charity)

Alpha Common Investment Fund	£ £'000
Market values	
1 January 2017	3,893
Disposal	(400)
Gain	269
	<hr/>
31 December 2017	3,763
	<hr/> <hr/>
Historical cost	
1 January 2017	3,097
	<hr/> <hr/>
31 December 2017	3,769
	<hr/> <hr/>

Unlisted investments

The Energy Institute has a one third equity interest, represented by 1,000 fully paid ordinary shares of £1, in Petroleum Geology Conferences Limited, which was established in 1999. During the year, the EI acquired 100 ordinary shares of £1, in EI services Ltd.

Note 10 – Debtors (Group and Charity)

	2017 £'000	2016 £'000
Trade debtors	737	1,839
Prepayments and accrued income	408	338
Taxation and social security	32	-
Other debtors	17	18
	<hr/>	<hr/>
	1,194	2,195
	<hr/> <hr/>	<hr/> <hr/>

Note 11 – Creditors (Group and Charity)

	2017 £'000	2016 £'000
Amounts falling due within one year		
Bank loans	149	137
Trade creditors	614	395
Taxation and social security	147	274
Accruals and deferred Income	1,236	2,173
	<hr/>	<hr/>
	2,146	2,979
	<hr/> <hr/>	<hr/> <hr/>

All amounts received in advance and deferred income relate to the subsequent financial year and are released to income in that year.

Note 12 – Creditors (Group and Charity)

	2017 £'000	2016 £'000
Amounts falling due in more than one year		
Bank loans	306	458
	<hr/>	<hr/>
	306	458
	<hr/> <hr/>	<hr/> <hr/>

In 2015 Energy Institute secured a loan of £750,000 towards the completion of the refurbishment works. £500,000 is a 5-year fixed term loan and £250,000 is a 5-year variable rate loan.

Notes on the financial statements

Note 13 - Retirement benefits

Stakeholder contributions

The Energy Institute operates defined contribution stakeholder pension arrangements for employees. Employer contributions made during the period in respect of 56 employees were £53,000 (2016: 64 employees - £60,000).

Defined benefit pension scheme

The Energy Institute operates a defined benefit pension scheme, the Energy Institute Pension and Dependants Benefits Plan which has 7 active members. The scheme funds are administered by Trustees and are independent of the Energy Institute's finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuarial adviser. Details in respect of the scheme are provided below. The benefits have been valued by projecting forward the results from the FRS102 disclosures, as at 31 December 2017, making adjustments to reflect benefits paid out of the Plan, additional accrual and differences between the assumptions used at this year-end and those at the previous year-end. The value of the defined benefit liabilities has been measured using the projected unit method. The full actuarial valuation as at 1 January 2017 showed a deficit of £28,000.

Movement in assets during the period

Principal actuarial assumptions	31 December 2017		31 December 2016	
	% a year		% a year	
Discount rate	2.6%		2.8%	
Retail Price Inflation	3.4%		3.3%	
Consumer Price Inflation	2.4%		2.3%	
Salary growth	2.4%		2.3%	
Rate of increases to pensions in payment				
– Price inflation (CPI) subject to a maximum of 2.5% p.a.	1.7%		1.7%	
– Price inflation (CPI) subject to a maximum of 3% p.a.	1.9%		1.9%	
– Price inflation (CPI) subject to a maximum of 5% p.a.	2.4%		2.3%	
– Price inflation (CPI) subject to a maximum of 5% p.a. and a minimum of 3% p.a.	3.5%		3.5%	
Demographic assumptions				
Mortality after retirement				
- Base table	S2PXA series year of birth (YOB) tables		S2PXA series year of birth (YOB) tables	
- Future improvements	CMI_2016_M/F (1%)		CMI_2015_M/F (1%)	
Assumed life expectancy at aged 60	Males	Females	Males	Females
Current pensioners	26.5 years	28.4 years	26.5 years	28.6 years
Retiring in 20 years	27.7 years	29.8 years	28.0 years	30.2 years
Changes in fair value of plan assets	31 December 2017		31 December 2016	
	£'000		£'000	
Opening fair value of plan assets	8,148		7,090	
Employer contributions	87		97	
Employee contributions	18		20	
Benefits paid	(351)		(260)	
Expenses paid	-		(27)	
Expected return on scheme assets	225		267	
Actuarial gain/ (losses) on assets	280		961	
Closing fair value of plan assets	8,407		8,148	
Actual return on plan assets	505		1,228	

The plan assets are invested in three Legal and General Investment Management funds.

Notes on the financial statements

Asset Allocation	31 December 2017	31 December 2016
Diversified Growth Fund	45.5%	43.3%
Bonds	33.5%	34.0%
Gilts	20.1%	21.5%
Cash	0.7%	0.9%
Annuities	0.2%	0.3%

Changes in present value of defined benefit obligation	31 December 2017	31 December 2016
	£'000	£'000
Opening defined benefit obligation	8,358	6,803
Current service cost	132	102
Employee contributions	18	20
Interest cost	219	256
Benefits paid	(351)	(260)
Actuarial loss/(gain) on defined benefit obligation:		
- Impact of experience	(480)	(50)
- Impact of amended financial assumptions	405	1,667
- Impact of amended mortality assumptions	(83)	(180)
Closing defined benefit obligation	8,218	8,358

Pension expense

Analysis of the amount charged to income and expenditure	31 December 2017	31 December 2016
	£'000	£'000
Current service cost	(132)	(102)
Expenses	-	(27)
Interest on net liability	(5)	11
	(137)	(118)

The Scheme is closed to new entrants. As a result the age profile of the active members will tend to rise and under the projected unit method the current service cost will tend to increase with time.

Other comprehensive income	31 December 2017	31 December 2016
	£'000	£'000
Actual less expected return on plan assets	280	961
Experience gains/(losses) on liabilities	480	50
Change in assumptions	(322)	(1,487)
Actuarial (loss)/gain recognised in OCI	438	(476)

Balance sheet position	31 December 2017	31 December 2016
	£'000	£'000
Present value of defined benefit obligation	(8,218)	(8,358)
Fair value of plan assets	8,407	8,148
Net defined benefit pension (liability)/asset	189	(210)

Notes on the financial statements

Note 14 – 2017 Group Reserves

	1 January 2017	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2017
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	455	5,893	(5,849)	118	617
<i>Pension reserve</i>	(210)	-	(39)	438	189
	245	5,893	(5,888)	556	806
<i>Designated reserves</i>					
UK WPC reserve	14	23	(20)	-	17
Powerful Women reserve	21	73	(57)	-	37
Fixed asset reserve	6,321	-	(106)	123	6,338
Building project reserve	-	7	-	-	7
	6,356	103	(183)	123	6,399
Total unrestricted reserves	6,601	5,996	(6,071)	679	7,205
Restricted reserves					
Partner technical projects	2,146	1,067	(1,453)	-	1,760
Shell hearts and minds	428	129	(106)	-	451
General prize fund	43	-	(27)	-	16
Benevolent fund	405	13	(8)	28	438
Total restricted reserves	3,022	1,109	(1,594)	28	2,665
Total Reserves	9,623	7,205	(7,665)	707	9,870

Note 14 – 2017 Charity Reserves

	1 January 2017	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2017
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	408	5,802	(5,734)	118	594
<i>Pension reserve</i>	(210)	-	(39)	438	189
	198	5,802	(5,773)	556	783
<i>Designated reserves</i>					
UK WPC reserve	14	23	(20)	-	17
Powerful Women reserve	21	73	(57)	-	37
Fixed asset reserve	6,321	-	(106)	123	6,338
Building project reserve	-	7	-	-	7
	6,356	103	(183)	123	6,399
Total unrestricted reserves	6,554	5,905	(5,956)	679	7,182
Restricted reserves					
Partner technical projects	2,146	1,067	(1,453)	-	1,760
Shell hearts and minds	428	129	(106)	-	451
General prize fund	43	-	(27)	-	16
Benevolent fund	405	13	(8)	28	438
Total restricted reserves	3,022	1,109	(1,594)	28	2,665
Total Reserves	9,576	7,114	(7,550)	707	9,847

Notes on the financial statements
Note 14 – 2016 Group Reserves

	1 January 2016	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2016
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,539	5,555	(5,774)	(865)	455
<i>Pension reserve</i>	287	-	(21)	(476)	(210)
	<u>1,826</u>	<u>5,555</u>	<u>(5,795)</u>	<u>(1,341)</u>	<u>245</u>
<i>Designated reserves</i>					
UK WPC reserve	6	40	(32)	-	14
Powerful Women reserve	-	66	(54)	9	21
Fixed asset reserve	3,788	-	(70)	2,603	6,321
Building project reserve	1,198	-	-	(1,198)	-
	<u>4,992</u>	<u>106</u>	<u>(156)</u>	<u>1,414</u>	<u>6,356</u>
Total unrestricted reserves	6,818	5,661	(5,951)	73	6,601
Restricted reserves					
Partner technical projects	1,943	1,328	(1,125)	-	2,146
Shell hearts and minds	369	130	(71)	-	428
General prize fund	56	-	(13)	-	43
Benevolent fund	376	12	(9)	26	405
Building refurbishment fund	317	5	(6)	(316)	-
	<u>3,061</u>	<u>1,475</u>	<u>(1,224)</u>	<u>(290)</u>	<u>3,022</u>
Total restricted reserves	3,061	1,475	(1,224)	(290)	3,022
Total Reserves	9,879	7,136	(7,175)	(217)	9,623

Note 14 – 2016 Charity Reserves

	1 January 2016	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2016
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,517	5,447	(5,691)	(865)	408
<i>Pension reserve</i>	287	-	(21)	(476)	(210)
	<u>1,804</u>	<u>5,447</u>	<u>(5,712)</u>	<u>(1,341)</u>	<u>198</u>
<i>Designated reserves</i>					
UK WPC reserve	-	40	(32)	-	14
Powerful Women reserve	6	66	(54)	9	21
Fixed asset reserve	3,788	-	(70)	2,603	6,321
Building project reserve	1,198	-	-	(1,198)	-
	<u>4,992</u>	<u>106</u>	<u>(156)</u>	<u>1,414</u>	<u>6,356</u>
Total unrestricted reserves	6,796	5,553	(5,868)	73	6,554
Restricted reserves					
Partner technical projects	1,943	1,328	(1,125)	-	2,146
Shell hearts and minds	369	130	(71)	-	428
General prize fund	56	-	(13)	-	43
Benevolent fund	376	12	(9)	26	405
Building refurbishment fund	317	5	(6)	(316)	-
	<u>3,061</u>	<u>1,475</u>	<u>(1,224)</u>	<u>(290)</u>	<u>3,022</u>
Total restricted reserves	3,061	1,475	(1,224)	(290)	3,022
Total Reserves	9,857	7,028	(7,092)	(217)	9,576

Notes on the financial statements

Designated reserves

UK WPC: Some income generated from UK WPC activities is allocated to build reserves which can support participation in the WPC Youth Committee and other WPC or UK WPC activities.

Powerful Women: Some income generated from Powerful Women activities is allocated to build reserves which can support participation in the activity.

Fixed asset reserve: represents the funds which are invested in the Institute's fixed assets and therefore not readily available to be spent.

Building project: Consists of funds designated for the building refurbishment. These funds have been transferred to the property reserve along with building development funds in other reserves.

Restricted reserves

Partner technical projects: Funds provided specifically for projects advancing scientific and technical knowledge relating to health, safety, environment and standards relating to the energy industry.

Shell hearts and minds: The Energy Institute sells the Hearts and Minds toolkit on behalf of Shell Exploration and Production Ltd, any surplus is held for future investment in the development of the toolkit and related Human Factors projects.

General prize fund; The objects include:

The furtherance of education in the field of the science of energy and fuels by the award of prizes, the provision of grants, the funding of exhibitions and seminars, the provision of continuing professional education and the provision of scholarships.

Benevolent fund: The fund provides assistance for the benefit of deserving members of the Energy Institute and their dependants to improve quality of life and provide educational opportunities.

Building refurbishment fund: This fund includes donations received for the building refurbishment project. These funds have been transferred to the property reserve.

Note 15 – 2017 Group Net assets by fund

The various group reserves are represented by the Energy Institute's assets and liabilities as summarised below:

	Tangible fixed & investment assets	Net current assets	Creditors: falling due after more than 1 year	Pension reserve	31-Dec-17
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves	978	(55)	(306)	-	617
Pension reserve	-	-	-	189	189
Designated reserves	6,321	61	-	-	6,399
	7,316	6	(306)	189	7,205
Restricted reserves	2,785	(120)	-	-	2,665
Total	10,101	(114)	(306)	189	9,870

Note 15 – 2017 Charity Net assets by fund

The various charity reserves are represented by the Energy Institute's assets and liabilities as summarised below:

	Tangible fixed & investment assets	Net current assets / (liabilities)	Creditors: falling due after more than 1 year	Pension reserve	31-Dec-17
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves	978	(78)	(306)	-	594
Pension reserve	-	-	-	189	189
Designated reserves	6,338	61	-	-	6,399
	7,316	(17)	(306)	189	7,182
Restricted reserves	2,785	(120)	-	-	2,665
Total	10,101	(137)	(306)	189	9,847

Notes on the financial statements**Note 15 – 2016 Group Net assets by fund**

The various group reserves are represented by the Energy Institute's assets and liabilities as summarised below:

	Tangible fixed & investment assets	Net current assets	Creditors: falling due after more than 1 year	Pension liability	31-Dec-16
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves	879	34	(458)	-	455
Pension reserve	-	-	-	(210)	(210)
Designated reserves	6,321	35	-	-	6,356
	7,200	69	(458)	(210)	6,601
Restricted reserves	3,014	8	-	-	3,022
Total	10,214	77	(458)	(210)	9,623

Note 15 – 2016 Charity Net assets by fund

The various charity reserves are represented by the Energy Institute's assets and liabilities as summarised below:

	Tangible fixed & investment assets	Net current assets / (liabilities)	Creditors: falling due after more than 1 year	Pension liability	31-Dec-16
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves	879	(13)	(458)	-	408
Pension reserve	-	-	-	(210)	(210)
Designated reserves	6,321	35	-	-	6,356
	7,200	22	(458)	(210)	6,554
Restricted reserves	3,014	8	-	-	3,022
Total	10,214	30	(458)	(210)	9,576

Note 16 – Post balance sheet events

There were no post balance sheet events.

Note 17 – Related party transactions

The Energy Institute has a one third interest in the ordinary shares of Petroleum Geology conferences Limited, a company incorporated in England and Wales. At the balance sheet date, the company owed a balance of £2,000 (2016: £2,000) to the Energy Institute.

Notes on the financial statements

Note 18 – Comparative Statement of Financial Activities

Consolidated Statement of Financial Activities for the year ended 31 December 2016
(Including consolidated income and expenditure)

		2016	2016	2016	2016
		Unrestricted		Restricted	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000
Income:					
<i>Income from charitable activities:</i>					
Members' subscriptions		1,518	-	-	1,518
Charitable activities		3,926	106	1,463	5,495
	3	5,444	106	1,463	7,013
Donations		-	-	-	-
Investments		111	-	12	123
Total income		5,555	106	1,475	7,136
Expenditure:					
Charitable activities		5,795	156	1,224	7,175
Total expenditure	4	5,795	156	1,224	7,175
Net gains on investments	9	233	-	26	259
Net (expenditure)/income		(7)	(50)	277	220
Transfers between funds		(1,098)	1,414	(316)	-
Other recognised (losses)/gains:					
Actuarial (losses)/gains on Pension Plan	13	(476)	-	-	(476)
Net movement in funds		(1,581)	1,364	(39)	(256)

Notes on the financial statements

Note 18 – Comparative Statement of Financial Activities (Continued)

Charity Statement of Financial Activities for the year ended 31 December 2016
(Including income and expenditure account)

		2016	2016	2016	2016
		Unrestricted		Restricted	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000
Income:					
<i>Income from charitable activities:</i>					
Members' subscriptions		1,510	-	-	1,510
Charitable activities		3,826	106	1,463	5,395
	3	5,336	106	1,463	6,905
Donations		-	-	-	-
Investments		111	-	12	123
Total income		5,447	106	1,475	7,028
Expenditure:					
Charitable activities		5,712	156	1,224	7,092
Total expenditure	4	5,712	156	1,224	7,092
Net gains on investments	9	233	-	26	259
Net (expenditure)/income		(32)	(50)	277	195
Transfers between funds		(1,098)	1,414	(316)	-
Other recognised (losses)/ gains:					
Actuarial (losses)/gains on Pension Plan	13	(476)	-	-	(476)
Net movement in funds		(1,606)	1,364	(39)	(281)